
A MESSAGE FROM ATTORNEY GENERAL PHILL KLINE

Dear disaster-area resident:

The Consumer Protection Division of the Attorney General's Office is ready to work for you in the aftermath of disastrous events.

Within hours of disasters, the multi-disciplinary Consumer Protection Emergency Response Team (CPERT) makes contact with law enforcement officials and news media in areas hit by disasters. This team serves as the conduit between harmed Kansans, local law enforcement, and my office to ensure people are not re-victimized during the clean-up and rebuilding phase.

Sadly, unscrupulous con artists often approach disaster victims in an effort to take advantage of the very ones who have already suffered injuries and property damage. While "What can I do to help?" is the initial response of most individuals and businesses in a disaster zone, some unprincipled people view disaster as an opportunity to reap illegal gain. My office will take decisive civil and criminal enforcement action when such scams take place.



This brochure is an overview of scams that have been documented in the wake of natural or man-made disasters. I ask friends, families, neighbors, emergency responders, and law enforcement officials to be on the lookout for these types of fraudulent activities and report any suspicious activities to the CPERT via my office's toll-free number, (800) 432-2310.

During this time of need, our thoughts and prayers go out to those who are feeling the devastation caused by disasters.

A handwritten signature in cursive script that reads "Phill Kline". The signature is written in dark ink and is positioned below the typed name.

HOME REPAIR FRAUD

Home owners are anxious to have their homes repaired after a disaster, but media coverage of a disaster often results in con artists moving into an area to make a quick profit. Generally, these people go door-to-door in areas with significant damage. They offer immediate repair services to home owners who have sustained damage. The demand for repair work may make it difficult for home owners to obtain repairs from established local contractors, and this results in home owners being especially vulnerable to home-repair rip-offs. Home owners should remember:

- Only deal with contractors who have an established local business. Outside contractors may not complete the work, and any warranties will be worthless if they are no longer in the area when defects are later discovered by the home owner or business owner.
- Obtain at least three bids on any major repair or rebuilding project and check references to avoid a contractor who does substandard work. Be especially cautious if one bid is significantly lower than the others.
- Check to see if the contractor has a complaint history with the Better Business Bureau nearest you. In Wichita, call (316) 263-3146; in Kansas City, call (816) 421-7800; and in northeast Kansas, call (785) 232-0454.
- Ask for proof of the contractor's liability and worker's compensation insurance to help protect you as a property owner against any claim in the event someone is injured while the work is being done on your property. Confirm the policies are current by calling the insurance agent.
- Make certain all important details concerning the work are written into the bid and contract including the dates the work will begin and end, the total cost of the work, the type and quality of materials to be used, how and when payments will be made, and the provisions of any express warranties on the materials and labor.

- Find out from the appropriate building code enforcement office which permits and inspections are required for the work being done, and avoid a contractor who wants you to secure the permit(s) instead of taking care of it himself.

CHARITABLE SOLICITATIONS

There are a number of legitimate organizations that provide assistance and relief to disaster victims. Citizens should contribute only to organizations they know well and that willingly provide written information about their charitable efforts. If you are thinking about contributing, consider several things before making a pledge:

- Know what percentage of a contribution actually goes for the charitable efforts. Remember, high administrative and other expenses may hide a solicitor's profits for raising funds.
- Beware of high-pressure solicitations. Remember, legitimate charities will give you time to decide whether and how much to donate.
- Remember, fraudulent solicitors may pose as members of local law enforcement or use an organization name similar to established and well-known charitable organizations.
- If you are going to contribute, avoid cash donations and make checks payable to the organization, not to the individual soliciting.
- For information on tax-deduction qualification and charity ratings, you may go to www.give.org.
- Additional information can be obtained for a fee from the Philanthropic Advisory Service at 4200 Wilson Blvd., Ste. 800, Arlington, VA 22203.
- Check www.kscharitycheck.org or contact the Better Business Bureau. In Wichita, call (316) 263-3146; in Kansas City, call (816) 421-7800; and in northeast Kansas, call (785) 232-0454.

ADVANCE FEE LOANS

You may need a loan quickly following the disaster to rebuild your home or business. However, don't be tempted by promises of "guaranteed" loans that require you to pay up-front fees ranging from \$100 to several thousand dollars. You may never get a loan or see your money again. Tips to protect yourself include:

- Legitimate lenders may charge a processing fee, but they don't guarantee in advance you will qualify for a loan.
- Be wary of ads that give you a 1-900 number to call and require you to pay a significant amount of money before receiving a loan.
- Don't believe the promise that bad credit won't keep you from getting a loan.

PRICE GOUGING

Unfortunately, price gouging (the sudden, sometimes dramatic increase in prices for items in demand) following a natural disaster is well documented. Most Kansas businesses are community-minded and deal with their neighbors in a spirit of kindness and generosity. However, some businesses, often those whose ownership has no roots in the community, may not be so generous or kind. For a briefing on this topic and Attorney General Kline's program to confront price gouging, see the "unconscionable pricing packet" at www.ksag.org.

MANAGING YOUR CREDIT

In a natural disaster, such as a tornado or flood, many of your belongings may be temporarily or permanently lost. Jobs may also be lost and income reduced. Here are tips on how to manage your credit and to make sure your credit record is not harmed:

- If any of your credit cards are missing, call the card issuers immediately. If you don't have the card issuers' telephone numbers, you may be able to obtain them by calling directory assistance or contacting a local card-issuing bank.
- If you are temporarily out of work due to a storm and are unable to make payments on your credit cards, call the card issuers and try to work out a new payment schedule.

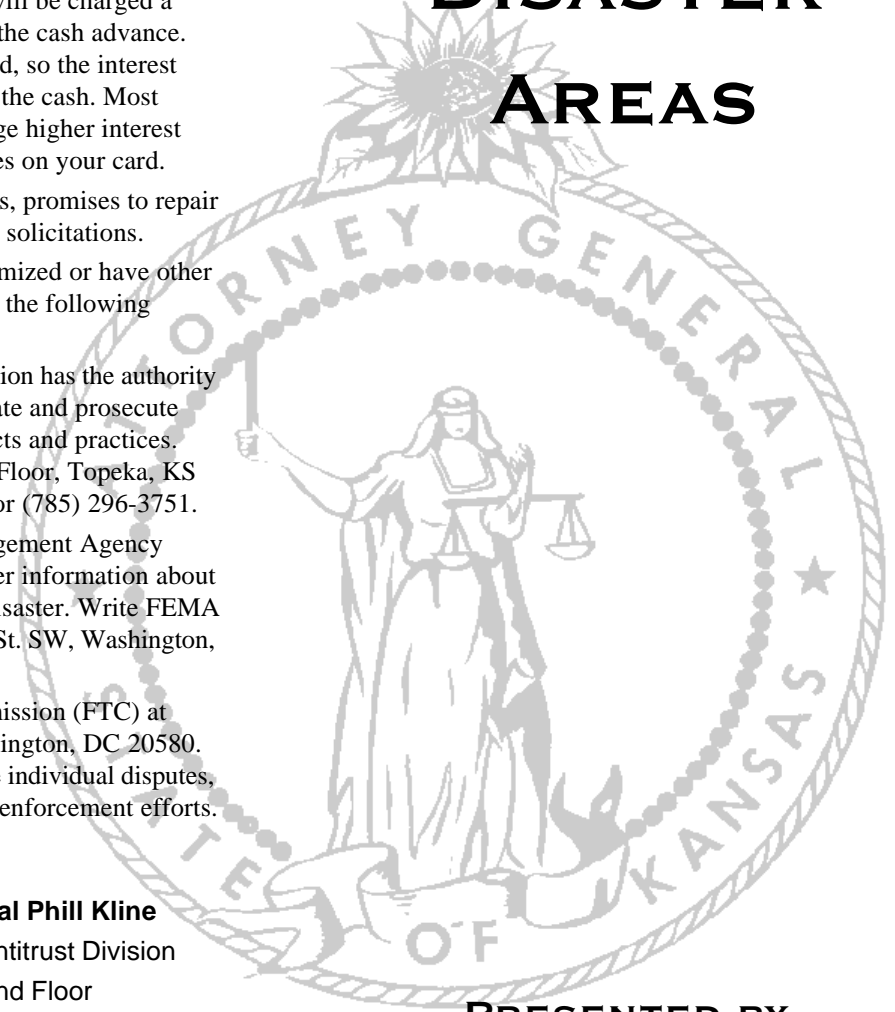
- You may need to use your credit cards to cover extra expenses while you get your life back in order. Review your personal financial situation and use caution! Know the credit limits on your cards. Exceeding the limit on your credit cards can be expensive.
- Cash advances may also seem like a convenient way to help you through a tough financial period, but they are very costly. You will be charged a transaction fee and interest on the cash advance. There is usually no grace period, so the interest accrues as soon as you receive the cash. Most financial institutions may charge higher interest rates for cash than for purchases on your card.
- Watch out for credit card scams, promises to repair your credit, or other fraudulent solicitations.

If you feel you have been victimized or have other questions, you may want to contact the following agencies for more information:

- The Consumer Protection Division has the authority under state statutes to investigate and prosecute deceptive or unconscionable acts and practices. Write 120 SW 10th Ave., 2nd Floor, Topeka, KS 66612 or call (800) 432-2310 or (785) 296-3751.
- The Federal Emergency Management Agency can provide brochures and other information about rebuilding your home after a disaster. Write FEMA at Federal Center Plaza, 500 C St. SW, Washington, DC 20472.
- Write the Federal Trade Commission (FTC) at Correspondence Branch, Washington, DC 20580. While the FTC does not resolve individual disputes, your comments help in its law enforcement efforts.

Office of Attorney General Phill Kline
Consumer Protection and Antitrust Division
120 SW 10th Ave., 2nd Floor
Topeka, KS 66612-1597
Consumer Hotline: (800) 432-2310
Consumer Infoline: (785) 296-2424
www.ksag.org

PREVENTING SCAMS IN DISASTER AREAS



**PRESENTED BY
ATTORNEY GENERAL
PHILL KLINE**